



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

JENNIFER M. GRANHOLM
GOVERNOR

June 26, 2007

Dear Intermediate School District Business Manager:

We anticipate that the Grants Section Auditors Report (R7120) and the new Cash Management System (CMS) Grant Auditor Report will be available on our website by July 11, 2007. These reports are used by independent auditors to confirm the amount of funds paid to education agencies by the Michigan Department of Education on a project basis. These reports cover the year ending June 30, 2007. As in past years, we are asking that the intermediate school district distribute these reports (or forward these directions) to the locals.

As you prepare for the upcoming June 30, 2007 financial statement reporting and single audit reporting, I would like to give you additional information on federal grant confirmations. In the past, the Grants Section Auditors Report (R7120) has been available to school districts and their auditors to confirm the amount of federal grant funds that had been drawn down by the districts. That report was generated from MDE's Grants Cash Management Reporting System (GCMRS). As many of you know, MDE is transitioning to a new Cash Management System (CMS). Because the Department is transitioning between two systems, confirming the federal grant draws that districts have made will be a bit more complicated this year.

For the June 30, 2007 year end, school districts and their auditors will need to use two reports to cover all of the federal grant programs that MDE administers (GCMRS Grants Section Auditors Report R7120 and the CMS Grant Auditor Report).

The list of federal grants that have been transferred from the GCMRS to the new CMS is posted on-line as well. When grant projects were transferred over, a copy of the historical cash draw data was transferred to the new CMS. Because of this, transferred grants will appear on both reports. Please instruct the districts and their auditors to use the amounts from the new Grant Auditor Report for transferred grants because it will include historical data from the GCMRS as well as payment data from the CMS.

The report files can be accessed by going to www.michigan.gov/mdeaudit, then selecting June 30, 2007, Grants Auditors Reports (schools only). There will be two large PDF files with all districts included, so in order to navigate, you must have the

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Adobe Reader. You first open each PDF file and click on your search icon (usually binoculars) and enter the school's district code or name. The reports are in ISD order. Make sure that you choose to print the current page or print a page range; if you just click to print the whole file, you will get thousands of pages!

Please note that grant projects with a CFDA number beginning with 99 are state funded grant programs. All other CFDA numbers indicate federal grant programs.

As with any new system, there may be issues that arise that we could not have foreseen. If you find any issues, please let me know as soon as possible so that they can be resolved and so that we can communicate with the rest of the *listserv*. I can be reached by e-mail at nicholasrr@michigan.gov or by phone at 517.373.4591.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Roxanne Nicholas". The signature is written in a cursive style with a large, prominent initial "R".

Roxanne Nicholas
Single Audit Coordinator
Office of Audits